

# Methuen Investment Regulations

PERAC Approval Date	Regulation Number	Supplemental Investment Regulation
August 2, 2006	21.01	<p>The Methuen Retirement Board's high-yield bond manager, Bradford &amp; Marzec, is authorized to use U.S. Treasury futures and options as well as credit default swaps in limited ways to help in accomplishing the portfolio's basic strategy.</p> <p>B&amp;M's use of Treasury futures and options is not expected to exceed the level already authorized by Investment Guideline 99-1.</p> <p>Credit default swaps have become an increasingly viable and liquid tool used by managers of corporate bonds, including high-yield bonds. The swaps would be used as an additional available tool to help protect the portfolio against deteriorating credit situations. These instruments are expected to be a small part of the total portfolio and the board's investment consultant, Segal Advisors, is comfortable with the manager's use of them.</p>